NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

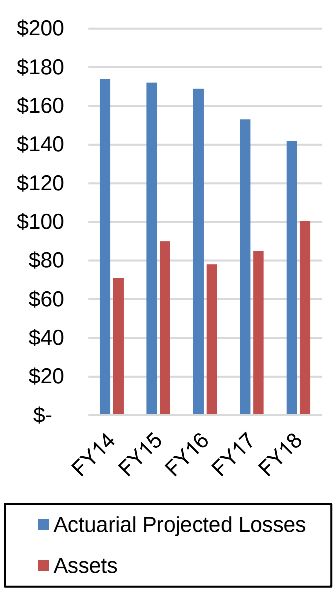
# PERFORMANCE REPORT CARD
## General Services Department
## Third Quarter, Fiscal Year 2019

### ACTION PLAN

| | |
|---|---|
| Submitted by agency? | No |
| Timeline assigned? | No |
| Responsibility assigned? | No |

Vetoed Performance Measures:
1. Square footage per employee, state-owned space;
2. Square footage per employee, leased office facilities.

**Assets vs. Actuarial Projected Losses for Major Risk Funds**
(in millions)




Source: GSD and LFC Files

A cost-benefit analysis may be helpful to determine if investments in wellness incentives and disease management programs are improving patient outcomes or if there are other cost control or quality improvement reforms that should be explored by the Interagency Benefits Advisory Council (IBAC).

# General Services Department

In the wake of vetos of Legislature-supported performance measures, LFC staff continues working with GSD to improve performance reporting. The lack of high-quality measures is particularly concerning as the state increases investments in capital outlay projects managed by GSD. Additionally, current measures on group health benefits do little to show progress toward cost containment or program financial health.

## Risk Management

The major risk funds have increased their balances significantly despite transfers of $30 million to the general fund for solvency; the property, liability, and workers compensation funds had a combined balance of $100 million in FY18, up from $85 million in FY17. The Risk Management Program has a goal of maintaining a fund balance sufficient to cover 50 percent of liability losses. The public liability fund increased its balance consistently over the past several years.

**Budget:** $86,128.5 **FTE:** 56

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| Projected financial position of the public property fund* | 468% | 697% | N/A | 556% | 557% | 561% | G |
| Projected financial position of the workers' compensation fund* | 43% | 54% | N/A | 47% | 45% | 47% | Y |
| Projected financial position of the public liability fund* | 46% | 51% | N/A | 65% | 64% | 64% | G |
| **Program Rating** | | | | | | | G |

*Measures are classified as explanatory and do not have a target. Rating is based on comparison with prior years

## Group Health Benefits

The Group Health Benefits Program reported a 10 percent decline in per member per month healthcare costs but did not attribute the reduction to any particular factor. The program operates the stay well health center which has been designated as the primary care provider for 1,236 employees. Performance reporting should be expanded to determine whether the health center is producing cost savings.

**Budget:** $368,563.9 **FTE:** 0

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| State group prescriptions filled with generic drugs | 87% | 89% | 90% | 89% | 86% | 88% | Y |
| Change in premium | -3% | 4% | 4% | | Annual Measure | | |
| Change in average per member per month total healthcare cost | 5% | 2% | <7% | 2.2% | 0.4% | -10% | G |
| Increase in the number of members designating the Stay Well Health Center as their primary care provider | NEW | NEW | ≥3% | -8.5% | 4.2% | 30.8% | G |
| **Program Rating** | | | | | | | G |

### Facilities Management

The Facilities Management Division (FMD) is responsible for property management for facilities statewide in addition to having authority over lease approval and central planning. Performance measures reported to the Legislature lack critical context around this mission. For example, FMD does not report on space per employee or facility condition. This information is important to planning and assessing capital needs, particularly as the agency will be required to oversee more projects in future years.

All four of the new office space leases approved by GSD met the 215 square foot per FTE space standard set by GSD.

**Appropriations to GSD for Building Repair and Maintenance**

| | |
|---|---|
| FY20 | $5,000,000 |
| FY19 | $1,500,000 |
| FY18 | $0 |
| FY17 | $4,000,000 |
| FY16 | $3,500,000 |
| FY15 | $ 0 |
| FY14 | $4,500,000 |
| FY13 | $500,000 |

Source: LFC Files

**Budget:** $13,205.8 **FTE:** 132

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| Capital projects completed on schedule | 95% | 97% | 95% | 96% | 97% | 99% | G |
| Preventive maintenance completed on time | 97% | 92% | 95% | 87% | 79% | 36% | R |
| New office leases meeting space standards | 19% | 64% | 25% | 100% | 78% | 100% | G |
| **Program Rating** | | | | | | | G |

**Gross Square Footage per FTE, 2017**

| Department | Leased Space under GSD purview | State-owned Space under GSD purview | Total Space Occupied | Total FTE | Total Space Per FTE (target 215) |
|---|---|---|---|---|---|
| Aging and Long-Term Services Department | 36,545 | 32,403 | 68,948 | 181 | 382 |
| Department of Environment | 116,432 | 67,822 | 184,254 | 668 | 276 |
| Department of Health | 295,262 | 1,230,263 | 1,525,525 | 2,251 | 636 |
| Department of Public Safety | 39,617 | 408,408 | 448,025 | 1,200 | 373 |
| Energy, Minerals and Natural Resources Department | 6,884 | 77,723 | 84,607 | 317 | 267 |
| Human Services Department | 734,969 | 115,720 | 850,689 | 1,923 | 442 |
| Public Education Department | 13,407 | 61,613 | 75,020 | 323 | 232 |
| Regulation and Licensing Department | 20,017 | 58,473 | 78,490 | 190 | 412 |
| Office of the State Engineer | 63,251 | 89,967 | 153,218 | 299 | 512 |
| Taxation and Revenue Department | 207,968 | 171,526 | 379,494 | 1,128 | 336 |
| Workforce Solutions Department | 27,492 | 153,858 | 181,350 | 579 | 313 |
| Other Agencies | 904,094 | 4,819,965 | 5,724,059 | 8,168 | 700 |
| **Total** | | | | **17,227** | **438** |

Source: LFC files and GSD (2017)

## State Purchasing

The department reports that three employees received training as a result of procurement code violations, up from trainings for one employee offered in the third quarter of FY18. Certified procurement officer vacancies increased between quarters two and three with 67 out of 82 executive branch agencies reporting filled CPO positions. The program reports 74 procurements were made, of which 19 were requests for proposals (RFPs).

The department should consider adding additional performance measures to better capture the work of the purchasing program.

**Budget:** $2,054.5 **FTE:** 24

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| Procurement code violators receiving procurement code training, as compared to previous fiscal year | 68% | TBD | 90% | 95% | 100% | 100% | G |
| Agencies with certified procurement officers | 96% | 97% | 98% | 100% | 98% | 82% | R |
| Percent increase in best value procurements, as compared to the previous fiscal year | 22% | 23% | 20% | 0% | 8% | 6% | R |
| **Program Rating** | | | | | | | R |

## Transportation Services

The program continues to under-utilize its vehicles; of 1,923 vehicles, only 1,214 were operated an average 750 miles per month during FY18.

**Budget:** $8,740 **FTE:** 33

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| Vehicle operational cost per mile | $0.47 | $0.46 | $0.59 | | Annual Measure | | |
| Vehicles used 750 miles per month | 51% | 61% | 60% | 59% | 68% | 63% | R |
| **Program Rating** | | | | | | | R |

## State Printing

State printing shipped 558 of 575 of orders to clients on time.

**Budget:** $1,586.6 **FTE:** 10

| Measure | FY17 Actual | FY18 Actual | FY19 Target | Q1 | Q2 | Q3 | Rating |
|---|---|---|---|---|---|---|---|
| Revenue per employee, in thousands | $236 | $246 | $180 | $128 | $241 | $553 | G |
| Sales growth in revenue | 26% | 36% | 10% | -22% | 47% | 29% | G |
| **Program Rating** | | | | | | | G |